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STATE OF ARIZONA SUPERIOR COURT  
MARICOPA COUNTY

STATE OF ARIZONA, by and through )  
EDWARD Z. FOX, Director, Arizona )  
Department of Environmental Quality,) )  
and GRANT WOODS, Attorney General, )  
Plaintiff, )  
-vs- )  
TALLEY DEFENSE SYSTEMS, INC., a )  
Delaware Corporation, )  
Defendant. )

No. CV 90-26811  
CONSENT JUDGMENT

WHEREAS, the plaintiff State of Arizona, by and through  
Robert K. Corbin, Attorney General, and Randolph Wood, Director,  
Arizona Department of Environmental Quality ("Director"), filed a  
Complaint alleging violations by the defendant Talley Defense  
Systems, Inc. ("TDS") of the hazardous waste rules, Arizona  
Administrative Code R18-8-260, et seq. ("A.A.C.") promulgated  
pursuant to the Hazardous Waste Management Act ("HWMA"), A.R.S.  
§§ 49-901 et seq.;

1           WHEREAS, TDS acknowledges that it was duly served with a  
2 copy of the Summons and Complaint in this action;

3           WHEREAS, TDS has filed its Answer to the State's  
4 Complaint and has denied all alleged violations and asserted  
5 affirmative defenses against the State;

6           WHEREAS, the parties have been fully advised of their  
7 right to a trial, and have waived the same in order to compromise  
8 and settle their dispute by means of this Consent Judgment;

9           WHEREAS, the parties further acknowledge that no promise  
10 of any kind or nature whatsoever, other than those agreed to in  
11 this Consent Judgment, was made to them to induce them to enter  
12 into this Consent Judgment and that they have done so voluntarily;

13           WHEREAS, TDS represents that Richard H. Allen is the  
14 President of TDS and has been duly authorized by TDS to enter into  
15 this Consent Judgment for and on behalf of TDS;

16           WHEREAS, Edward Z. Fox and Grant Woods represent that  
17 they are, respectively, the Director of the Arizona Department of  
18 Environmental Quality and the Attorney General of the State of  
19 Arizona and have been duly authorized by the State to enter into  
20 this Consent Judgment for and on behalf of the State;

21           WHEREAS, the parties admit the jurisdiction of the Court  
22 and that venue is proper in Maricopa County;

23           WHEREAS, the parties have consented to the terms and  
24 entry of this Consent Judgment, and have agreed not to contest its  
25 validity in any subsequent proceeding, and the parties have agreed  
26 that the Court may enter the same;

1           WHEREAS, TDS acknowledges that at all times relevant to  
2 this action, it has operated several manufacturing plants in or  
3 about Mesa, Maricopa County, Arizona (hereinafter sometimes the  
4 "Plants" and more fully described in Attachment A hereto) and as a  
5 result of its operation at some or all of the Plants, has  
6 generated, accumulated, or treated hazardous waste;

7           WHEREAS, TDS acknowledges that, as a result of the  
8 activity described in the foregoing paragraph, TDS and some or all  
9 of the Plants are subject to regulation under the federal Resource  
10 Conservation and Recovery Act and the HWMA, and the applicable  
11 rules and regulations properly promulgated thereunder;

12           WHEREAS, as a result of these activities, TDS has made  
13 the filings required for interim status, including timely  
14 submittal of the applications for a hazardous waste permit for the  
15 treatment of waste propellants;

16           WHEREAS, Plaintiff has propounded a Request for Admission  
17 to TDS, and solely for purposes of settlement, TDS has responded  
18 to the Request pursuant to Rule 36, Arizona Rules of Civil  
19 Procedure, and the Request and Response are attached hereto;

20           WHEREAS, the parties hereby intend to completely and  
21 finally settle and resolve any and all of TDS' civil and criminal  
22 liability to the State, and any and all civil and criminal  
23 liability to the State of TDS' past, present and future directors,  
24 officers, shareholders, employees, agents, and related corporate  
25 entities (including without limitation asserted and unasserted  
26 claims), for any violations of the HWMA or the hazardous waste

1 rules promulgated pursuant to the HWMA, according to the terms  
2 hereof; and

3 WHEREAS, except for the Request for Admission and  
4 Response attached hereto, nothing referred to or included in this  
5 Consent Judgment is intended to be an admission of facts or law,  
6 or estoppel, or a waiver with respect to any matter, act, claim,  
7 right, or defense by TDS for any purpose, or evidence of  
8 wrongdoing, misconduct, fault, or liability of any person on the  
9 part of TDS;

10 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND  
11 DECREED as follows:

12  
13 JURISDICTION AND VENUE

14  
15 1. The Court has jurisdiction over the subject matter  
16 of this action.

17 2. The Court has personal jurisdiction over the parties  
18 and venue is proper in this Court.

19  
20 EFFECTIVE DATE

21  
22 3. This Consent Judgment and the attachments hereto  
23 shall be effective upon entry, and except where a different date  
24 is specified herein, the parties shall be bound by the terms and  
25 conditions of this Consent Judgment upon its entry by the Court.  
26 This Consent Judgment shall not be effective until such entry,

1 notwithstanding any execution of the Consent Judgment in  
2 connection herewith.  
3

4 NOTICES  
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6 4. TDS shall provide written notice of this Consent  
7 Judgment and of its obligations arising hereunder to its officers  
8 and directors and to those employees working at the Plants who  
9 have a need to know. In the event TDS sells or transfers any or  
10 all of its assets at the Plants, or otherwise sells or transfers  
11 substantially all of its assets, TDS shall provide any person  
12 acquiring such assets with a copy of this Consent Judgment and  
13 shall provide to ADEQ written notice of such sale or transfer  
14 within fifteen (15) days of executing the agreement for said sale  
15 or transfer.  
16

17 PENALTIES  
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19 5. TDS shall pay the amount of FIVE HUNDRED THOUSAND  
20 DOLLARS (\$500,000.00), U.S., to the State of Arizona, which the  
21 parties agree can be characterized as a civil penalty for purposes  
22 of this settlement. Within thirty (30) days of the entry of this  
23 Consent Judgment, TDS shall pay ONE HUNDRED THOUSAND DOLLARS  
24 (\$100,000.00). TDS shall pay the remaining balance of FOUR  
25 HUNDRED THOUSAND DOLLARS (\$400,000.00) within eighteen (18) months  
26 of the entry of this Consent Judgment. Payment shall be made by

1 cashier's check payable to the State of Arizona and shall be  
2 hand-delivered or mailed, postage prepaid, to:

3 The Arizona Department of Environmental Quality  
4 2005 North Central Avenue  
5 Phoenix, Arizona 85004  
6 Attn: Fiscal Services Officer

7 6. If TDS fails to timely pay the civil penalty as set  
8 forth in paragraph 5 above, it shall be subject to a stipulated  
9 penalty of ONE THOUSAND DOLLARS (\$1,000.00) for each day that such  
10 payment is late. Stipulated penalty payments shall be made within  
11 fourteen (14) days following demand by the State and shall be made  
12 in the same manner as set forth for the payment of the civil  
13 penalty in paragraph 5 above.

14 7. If TDS fails to comply with any requirement of  
15 paragraphs 9 through 17 below, TDS shall be liable to pay a  
16 stipulated penalty of ONE THOUSAND DOLLARS (\$1,000.00) per day per  
17 act of noncompliance, unless excused pursuant to paragraphs 19 and  
18 20 below or otherwise agreed to in writing by the Director.  
19 Stipulated penalty payments shall be made within fourteen (14)  
20 days following demand by the State and shall be made in the same  
21 manner as set forth for the payment of the civil penalty in  
22 paragraph 5 above.

#### 23 ACTION

24 8. Definitions. As used herein, "Plants" shall mean  
25 the property and complex of buildings and structures utilized by  
26

1 TDS on or about North Greenfield Road, Mesa, Maricopa County,  
2 Arizona, and more particularly described in Attachment A hereto  
3 which is incorporated by this reference. As used herein, "thermal  
4 treatment unit" means the burn pits and related structures used to  
5 burn hazardous waste, located north of TDS' Plant No. 2, and more  
6 particularly described in Attachment A hereto. As used herein,  
7 "bore-out pits" means the pits formerly utilized in connection  
8 with TDS' Plant No. 3, and more particularly described in  
9 Attachment A hereto.

10 9. If TDS desires to continue to operate the thermal  
11 treatment unit, TDS shall submit to the Arizona Department of  
12 Environmental Quality ("ADEQ") a revised Part B hazardous waste  
13 facility permit application for the thermal treatment unit ("Part  
14 B") pursuant to 40 Code of Federal Regulations ("CFR") Part 270,  
15 Subpart B. The Part B shall comply with the applicable provisions  
16 of 40 CFR Part 264, Subpart X, 40 CFR Part 270, and all other  
17 applicable state and federal requirements. The Part B shall be  
18 submitted to ADEQ Permits Unit within one-hundred twenty (120)  
19 days of the effective date of this Consent Judgment. If TDS does  
20 not submit a revised Part B as provided herein, it shall cease  
21 operation and commence remedial actions necessary to effect  
22 closure of the thermal treatment unit as expeditiously as possible  
23 but in no case later than twenty-two (22) months after the  
24 effective date of this Consent Judgment, and shall complete any  
25 remedial actions at the unit as expeditiously as possible but in  
26 no case later than two (2) years after ceasing operation and

1 commencing remedial actions necessary to effect closure. In the  
2 event that closure of the thermal treatment unit requires remedial  
3 action by TDS which will take more than two years to complete, TDS  
4 may obtain an extension for the period of remedial action if  
5 approved in writing by the Director of ADEQ. Such approval shall  
6 not be unreasonably withheld. Closure shall be performed  
7 according to the applicable requirements of 40 CFR Part 265,  
8 Subpart G.

9 10. Within thirty (30) days of the effective date of  
10 this Consent Judgment, ADEQ and TDS shall meet to discuss the  
11 applicable requirements of 40 CFR, Part 264, Subpart X.

12 11. After its receipt of a complete and accurate Part B  
13 permit application from TDS, ADEQ will complete a review of the  
14 application. If the application appears to be legally acceptable,  
15 ADEQ will then provide public notice of a draft hazardous waste  
16 permit for a period of forty-five (45) days, and conduct a public  
17 hearing as required by law. ADEQ will analyze comments received  
18 regarding the Part B permit application and render a final  
19 decision to approve, modify, or deny the hazardous waste permit.  
20 The effective date of the final decision shall be thirty (30) days  
21 thereafter, unless timely notice of appeal is filed. TDS or any  
22 other person having standing shall have a right to appeal the  
23 decision as provided by law. If at any time during the foregoing  
24 process TDS withdraws its permit application, or if an ADEQ  
25 decision to deny TDS's Part B permit application is upheld and  
26 becomes final, TDS shall submit a closure plan for the thermal

1 treatment unit, pursuant to 40 CFR Part 265, Subpart G, within  
2 thirty (30) days of such withdrawal or its receipt of notice of a  
3 final decision by the reviewing agency, if no appeal is filed, or  
4 by the court of final recourse, if an appeal is timely filed.  
5 Operation of the thermal treatment unit shall cease and  
6 implementation of the closure plan shall commence as expeditiously  
7 as possible but in no case later than eighteen (18) months after  
8 such withdrawal or receipt of notice (unless the Director approves  
9 in writing a longer period of time), and closure shall be  
10 completed as expeditiously as possible but in no case later than  
11 two years thereafter. Closure shall be performed according to the  
12 applicable requirements of 40 CFR, Part 265, Subpart G. In the  
13 event that closure of the thermal treatment unit requires remedial  
14 action by TDS which will take more than two years to complete, TDS  
15 may obtain an extension for the period of such remedial action if  
16 approved in writing by the Director of ADEQ. Such approval shall  
17 not be unreasonably withheld.

18 12. TDS may operate its thermal treatment unit during  
19 the time period set forth herein only if TDS complies with the  
20 following (or with alternative actions proposed by TDS and  
21 approved by the Director in writing):

22 A. The amount of ammonium perchlorate and ammonium  
23 nitrate Class 1.3 propellant waste burned by TDS at the  
24 thermal treatment unit shall be limited to one thousand  
25 (1,000) pounds per burn event and one (1) burn event per  
26 day. The amount of waste sodium azide propellant, and

1 other Class 1.3 propellant waste not mentioned above,  
2 that is burned by TDS shall be limited to one hundred  
3 (100) pounds per burn event and three (3) burn events per  
4 day. The amount of magnesium teflon and other Class 1.1  
5 propellant wastes burned by TDS shall be limited to  
6 twenty-five (25) pounds per burn event and one (1) burn  
7 event per day.

8 B. Before each burn event TDS shall notify the  
9 Salt River Project ("SRP"), the State Land Department,  
10 the Salt River Pima Indian Reservation, and the City of  
11 Mesa Fire Department of the time and location of the burn  
12 event and the identity and quantity of the material being  
13 burned. This condition may be satisfied by providing a  
14 written schedule containing such information to SRP, the  
15 State Land Department, the Salt River Pima Indian  
16 Community, and the Mesa Fire Department.

17 C. Within forty-five (45) days of the effective  
18 date of this Consent Judgment, TDS shall construct a six  
19 (6) foot tall chain link fence, topped with out-turned  
20 three-strand barbed wire, along its property lines north  
21 and west of the thermal treatment unit. The fence shall  
22 contain warning signs posted thereon as required by  
23 applicable law. This fencing shall intersect with  
24 existing fencing south and east of the unit and form a  
25 continuous barrier around the treatment unit.  
26

1           D.    TDS shall post sentries around the thermal  
2           treatment unit during all burn events, to prevent entry.  
3           At least two (2) sentries shall be posted on the SRP  
4           right-of-way to the west of the thermal treatment unit.  
5           One sentry shall be placed along the right-of-way to the  
6           north of the thermal treatment unit, and one to the  
7           south. Both sentries shall also be located approximately  
8           1250 feet from the center of the thermal treatment unit.  
9           An additional person shall be placed on top of the hill  
10          to the immediate east of the thermal treatment unit,  
11          which hill is shown as having a 1477 foot elevation on  
12          the map which is Attachment B hereto and incorporated by  
13          this reference. All patrol personnel shall be in place  
14          one-half hour before, during, and one-half hour following  
15          each burn event. The sentry on top of the hill shall  
16          stop the burn event when persons are observed who could  
17          enter within 1250 feet of the thermal treatment unit  
18          during a burn event.

19               Patrol personnel shall be trained in their duties  
20               and shall be equipped with reliable means of positive  
21               signaling or two-way communication to assure "all clear"  
22               conditions before a burn is started. Training shall be  
23               documented and available for ADEQ inspection during  
24               regular business hours. Entry by any persons onto the  
25               SRP right-of-way and within 1250 feet of the thermal  
26               treatment unit shall be denied unless there is no

1 significant possibility of injury to human health or  
2 welfare or the environment. In addition to the sentry  
3 personnel referenced in this paragraph, at least one (1)  
4 person shall have supervisory responsibility and shall be  
5 assigned to oversee compliance with the requirements  
6 contained in this paragraph.

7 E. Inspection of the thermal treatment unit shall  
8 be conducted by TDS in accordance with the applicable  
9 provisions of 40 CFR § 265.15(b) and according to a  
10 schedule approved in writing by ADEQ. A written  
11 inspection schedule for the thermal treatment unit shall  
12 be developed by TDS and submitted to ADEQ for approval  
13 within thirty (30) calendar days of the effective date of  
14 this Consent Judgment. The inspection shall include all  
15 burn trays and burn boxes. A written log of all  
16 inspections shall be maintained in a form acceptable to  
17 ADEQ, and shall be available for inspection by ADEQ  
18 during emergencies and all regular business hours.

19 F. A written operating record, which has been  
20 approved by ADEQ as meeting the requirements of 40 CFR,  
21 Part 265, Appendix I, shall be maintained by TDS. The  
22 proposed operating record shall be submitted to ADEQ  
23 within thirty (30) calendar days of the effective date of  
24 this Consent Judgment. The record shall specify the type  
25 and amount of each individual hazardous waste treated at  
26 the thermal treatment unit and the burn pit or device in

1 which it was treated. This information shall be kept in  
2 addition to all other information required by law. The  
3 record shall be maintained as a single document which is  
4 readily accessible for inspection by ADEQ or during an  
5 emergency by TDS personnel, ADEQ or emergency response  
6 personnel.

7 G. TDS shall submit to ADEQ a site assessment plan  
8 ("SAP"), for the area of the thermal treatment unit,  
9 within sixty (60) days of the effective date of this  
10 Consent Judgment. The SAP shall provide for the  
11 development of information sufficient to determine the  
12 presence and lateral and vertical extent of contamination  
13 from hazardous waste or hazardous waste constituents at  
14 the thermal treatment unit, including the information  
15 contained on the SAP outline which is attached hereto as  
16 Attachment C and is hereby incorporated by reference.

17 H. TDS shall begin to implement the SAP only as  
18 approved in writing by ADEQ and no later than seven (7)  
19 days following notification to TDS of ADEQ's approval of  
20 the SAP. The SAP shall be implemented according to the  
21 schedule set forth therein.

22 I. If actions taken pursuant to the SAP lead to  
23 the discovery that a release of hazardous waste has  
24 occurred in the area of the thermal treatment unit, TDS  
25 shall submit to the ADEQ Office of Waste Programs, within  
26 thirty (30) days of such discovery, a plan for removal of

1 such hazardous waste. The plan shall provide for the  
2 removal of such hazardous waste, and recycling, treatment  
3 or disposal thereof as required by applicable law, as  
4 expeditiously as possible, and shall be implemented  
5 accordingly.

6 J. Within ninety (90) days of the effective date  
7 of this Consent Judgment, TDS shall make all reasonable  
8 efforts to remove debris upon the surface of the ground  
9 resulting from the operation of the thermal treatment  
10 unit. Thereafter, TDS shall inspect the area surrounding  
11 the thermal treatment unit at least once per week and  
12 shall immediately remove all surface debris found during  
13 each such inspection.

14 13. All solid waste at the thermal treatment unit shall  
15 be removed or otherwise remediated to the extent required by  
16 applicable law as expeditiously as possible but in no case later  
17 than two (2) years after ceasing operation as set forth above, and  
18 shall be recycled, treated or disposed of by TDS in accordance  
19 with applicable law.

20 14. TDS shall cease operation of the bore-out pits and  
21 shall not resume operation of them unless and until it complies  
22 with the requirements of paragraphs 14 through 16 hereof, or with  
23 alternative requirements agreeable to TDS and approved in writing  
24 by the Director. TDS shall in any event submit a site assessment  
25 plan ("SAP") for the bore-out pits to ADEQ within ninety (90) days  
26 of the effective date of this Consent Judgment. The SAP shall

1 provide for the development of information sufficient to determine  
2 the presence and lateral and vertical extent of contamination from  
3 hazardous waste or hazardous waste constituents at the bore-out  
4 pits, including the information set forth in the SAP outline  
5 attached hereto as Attachment C. TDS shall begin to implement the  
6 SAP only as approved in writing by ADEQ and no later than seven  
7 (7) days following notification to TDS of ADEQ's approval of the  
8 SAP. The SAP shall be implemented according to the schedule set  
9 forth therein.

10           If actions taken pursuant to the SAP lead to the  
11 discovery that a release of hazardous waste has occurred in the  
12 area of the bore-out pits, TDS shall submit to the ADEQ Office of  
13 Waste Programs, within thirty (30) days of such discovery, a plan  
14 for removal of such hazardous waste. The plan shall provide for  
15 the removal of such hazardous waste, and recycling, treatment or  
16 disposal thereof as required by applicable law, as expeditiously  
17 as possible, and shall be implemented accordingly.

18           15. Within thirty (30) days after completion of the  
19 foregoing SAP and a final report thereof is submitted to ADEQ, TDS  
20 shall submit to ADEQ an aquifer protection permit application for  
21 the closure of the bore-out pits, in accordance with the  
22 applicable requirements of Article 3 of Chapter 2 of Title 49,  
23 A.R.S. and Article 1 of Chapter 9 of Title 18, Arizona  
24 Administrative Code. Permit approval shall not be unreasonably  
25 withheld. The permit shall include provisions for the removal or  
26 other remediation of all solid and hazardous waste from the area

1 of the bore-out pits to the extent required by applicable law, and  
2 such solid and hazardous waste shall be recycled, treated or  
3 disposed of in accordance with applicable law.

4 16. If TDS desires to commence the bore-out operation or  
5 any alternative thereto, TDS shall first obtain the Director's  
6 written approval of the management of any waste from the process  
7 pursuant to applicable law. Such approval shall not be  
8 unreasonably withheld. Such approval is not necessary for  
9 research and development activities related to alternatives.

10 17. Within sixty (60) calendar days of the effective  
11 date of this Consent Judgment, TDS shall submit a master training  
12 document to the ADEQ Office of Waste Programs governing training  
13 of TDS staff operating the thermal treatment unit. The training  
14 document shall comply with 40 CFR § 265.16(a) through (e). The  
15 document shall be reviewed by ADEQ, and TDS shall incorporate  
16 ADEQ's comments in the document to the extent they are consistent  
17 with HWMA and A.A.C.

18 COMPLIANCE WITH OTHER LAW  
19

20 18. This Consent Judgment does not encompass issues  
21 regarding sources, operations, facilities or processes of TDS not  
22 specifically covered by the terms of this Consent Judgment and is  
23 without prejudice to the rights of the State of Arizona or TDS  
24 arising under any of the environmental statutes and rules of  
25 Arizona with regard to such issues, including without limitation  
26 any authority or rights the State of Arizona or TDS may have

1 pursuant to the Comprehensive Environmental Response, Compensation  
2 and Liability Act (42 U.S.C. §§ 9601-9675, as amended), the State  
3 Water Quality Assurance Revolving Fund statutes (Article 5 of  
4 Chapter 2 of Title 49, A.R.S.), or the State statutory emergency  
5 response authority (A.R.S. §§ 12-971 and 12-972). For purposes of  
6 this paragraph, any and all claims or liabilities within the scope  
7 of the release in paragraph 26 hereof shall be deemed to be among  
8 those specifically covered by this Consent Judgment. Except as  
9 otherwise stated in this Consent Judgment, nothing in this Consent  
10 Judgment shall constitute a permit of any kind, or a modification  
11 of any permit of any kind, under federal, state or local law.  
12 Except as otherwise stated in this Consent Judgment, nothing in  
13 this Consent Judgment shall in any way alter, modify or revoke  
14 federal, state or local statutes, regulations, rules or  
15 requirements. Nor shall this Consent Judgment affect, or relieve  
16 TDS in any manner of, TDS' obligations to apply for, obtain and  
17 comply with all applicable federal, state and local permits and  
18 orders, or to comply with all other federal, state and local  
19 statutes, regulations, rules or requirements, unless otherwise  
20 stated in this Consent Judgment. Compliance with the terms of  
21 this Consent Judgment shall be no defense to an action to enforce  
22 any such requirements.

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FORCE MAJEURE

19. TDS shall perform all the requirements of this Consent Judgment according to the time limits set forth herein, unless its performance is prevented or delayed by events which constitute a force majeure. "Force majeure" for purposes of this Consent Judgment is defined as any event arising from causes beyond the control of TDS which delay or prevent the performance of any obligation under this Consent Judgment. The financial inability of TDS to comply with the terms of this Consent Judgment shall not constitute a force majeure. Denial of access to property owned by others for the purpose of maintaining patrol perimeters during burn events shall also not constitute a force majeure.

20. In the event of a force majeure, the time for performance of the activity affected by the force majeure shall be extended for a period no longer than the delay caused by the force majeure. The time for performance of any activity dependent on the delayed activity shall be similarly extended. In the event of a force majeure, TDS shall notify ADEQ in writing within five (5) days after the event of both the event and the anticipated delay associated with it. The written notice provided to ADEQ shall describe in detail the event, the anticipated delay, the measures taken and to be taken by TDS to prevent or minimize delay, and the timetable under which those measures will be implemented. Failure of TDS to comply with any requirement of this paragraph for a

1 particular event shall constitute a waiver of its right to request  
2 an extension of time to fulfill any obligation under this Consent  
3 Judgment relating to that event.  
4

#### 5 SEVERABILITY

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7 21. If any provision of this Consent Judgment, or  
8 application thereof, to any person or circumstance is declared by  
9 this or any other Court to be invalid or unenforceable, the  
10 invalidity does not affect other provisions or applications of  
11 this Consent Judgment which can be given effect without the  
12 invalid provision or application. To this end, the provisions of  
13 this Consent Judgment are severable, except as provided in  
14 paragraph 26 below.  
15

#### 16 RESERVATION OF RIGHTS

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18 22. Except as otherwise stated in this Consent Judgment,  
19 ADEQ reserves the right to disapprove of work performed by TDS  
20 that fails to comply with this Consent Judgment, and the Plaintiff  
21 reserves the right to take enforcement action for any and all  
22 violations of this Consent Judgment, and to take enforcement  
23 action for any and all violations of the HWMA or the A.A.C.  
24 occurring after the entry of this Consent Judgment.

25 23. ADEQ shall have the right to enter upon the premises  
26 of TDS for the purpose of observing and monitoring compliance with

1 the provisions of this Consent Judgment. This right of entry  
2 shall be in addition to, and not in limitation of or substitution  
3 for ADEQ's rights under applicable law, including A.A.C.  
4 R18-8-280.

5  
6 MODIFICATIONS

7  
8 24. Any modification of this Consent Judgment shall be  
9 in writing and approved by the parties.

10  
11 LIMITATION

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13 25. The Request for Admission and Response which are  
14 attached hereto are made solely for the purpose of compromise and  
15 settlement of this action, and the Response does not constitute an  
16 admission for any other purpose. The Response is entitled to full  
17 protection under Rule 36(b), Arizona Rules of Civil Procedure. It  
18 shall not be used against TDS, its directors, officers, employees,  
19 shareholders, or related entities in any other proceeding.  
20 Moreover, this Consent Judgment shall not be admissible as  
21 evidence in any proceeding other than a proceeding to enforce the  
22 terms hereof.

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RELEASE

26. Except for the obligations of TDS that are expressly stated in this Consent Judgment, TDS and its past, present, and future directors, officers, shareholders, employees, agents, and related corporate entities are released from any and all civil liability to the State (including without limitation asserted and unasserted claims) for any violations of HWMA or A.A.C. arising out of or related to the allegations in the State's Complaint in this case, the inspections mentioned in the State's Complaint in this case, or any facts or matters concerning TDS or the Plants known to ADEQ or the Office of the Attorney General as of the date that the Court enters this Consent Judgment. The foregoing persons are also released from criminal liability to the State according to the terms of the letter dated August 16, 1991, from the Office of the Attorney General to TDS, which letter is incorporated by this reference. The terms of this paragraph are not severable from TDS' obligations under the Consent Judgment; therefore, this paragraph is not subject to paragraph 21.

COMPLIANCE WITH LAW

27. For the purposes of this Consent Judgment only, the Director has determined that, if the provisions of this Consent Judgment are complied with by TDS, the Director will consider TDS to be in compliance with 40 C.F.R. § 265.382, the HWMA, and the

1 A.A.C.  
2

3 RETENTION OF JURISDICTION  
4

5 28. The Court shall retain jurisdiction for the purposes  
6 of interpreting, implementing, modifying and enforcing the terms  
7 and conditions of this Consent Judgment, including any  
8 modifications thereof agreed to by the parties in writing, to  
9 resolve disputes arising hereunder, and to take any action  
10 necessary or appropriate for its construction or execution.  
11

12 CAPTION  
13

14 29. The caption of this case is amended to substitute  
15 GRANT WOODS for ROBERT K. CORBIN as Attorney General and EDWARD Z.  
16 FOX for RANDOLPH WOOD as Director, Arizona Department of  
17 Environmental Quality.  
18

19 DATED this \_\_\_\_\_ day of \_\_\_\_\_, 1991.  
20

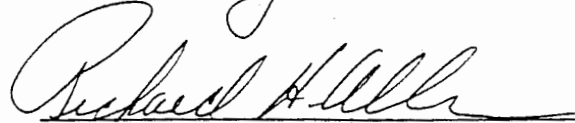
21  
22 \_\_\_\_\_  
Judge of the Superior Court

23 CONSENT TO JUDGMENT  
24

25 Richard H. Allen, on behalf of defendant Talley Defense  
26 Systems, Inc., hereby acknowledges that he has read the foregoing  
Consent Judgment in its entirety, agrees with the statements made

1 therein, consents to its entry by the Court and agrees to abide by  
2 the same.

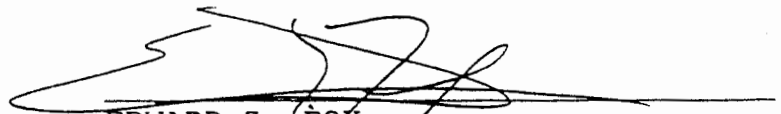
3 DATED this 30<sup>th</sup> day of August, 1991

4  
5 

6 RICHARD H. ALLEN  
7 President  
8 Talley Defense Systems, Inc.

9 Edward Z. Fox, on behalf of Plaintiff the State of Arizona  
10 and the Arizona Department of Environmental Quality ("ADEQ"), here-  
11 by acknowledges that he has read the foregoing Consent Judgment in  
12 its entirety, agrees with the statements made therein, consents to  
13 its entry by the Court and agrees that the State and ADEQ will  
14 abide by the same.

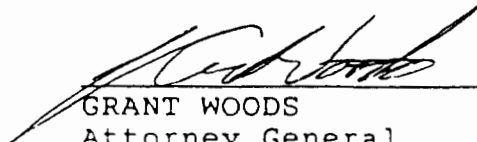
15 DATED this 30<sup>th</sup> day of August, 1991.

16  
17 

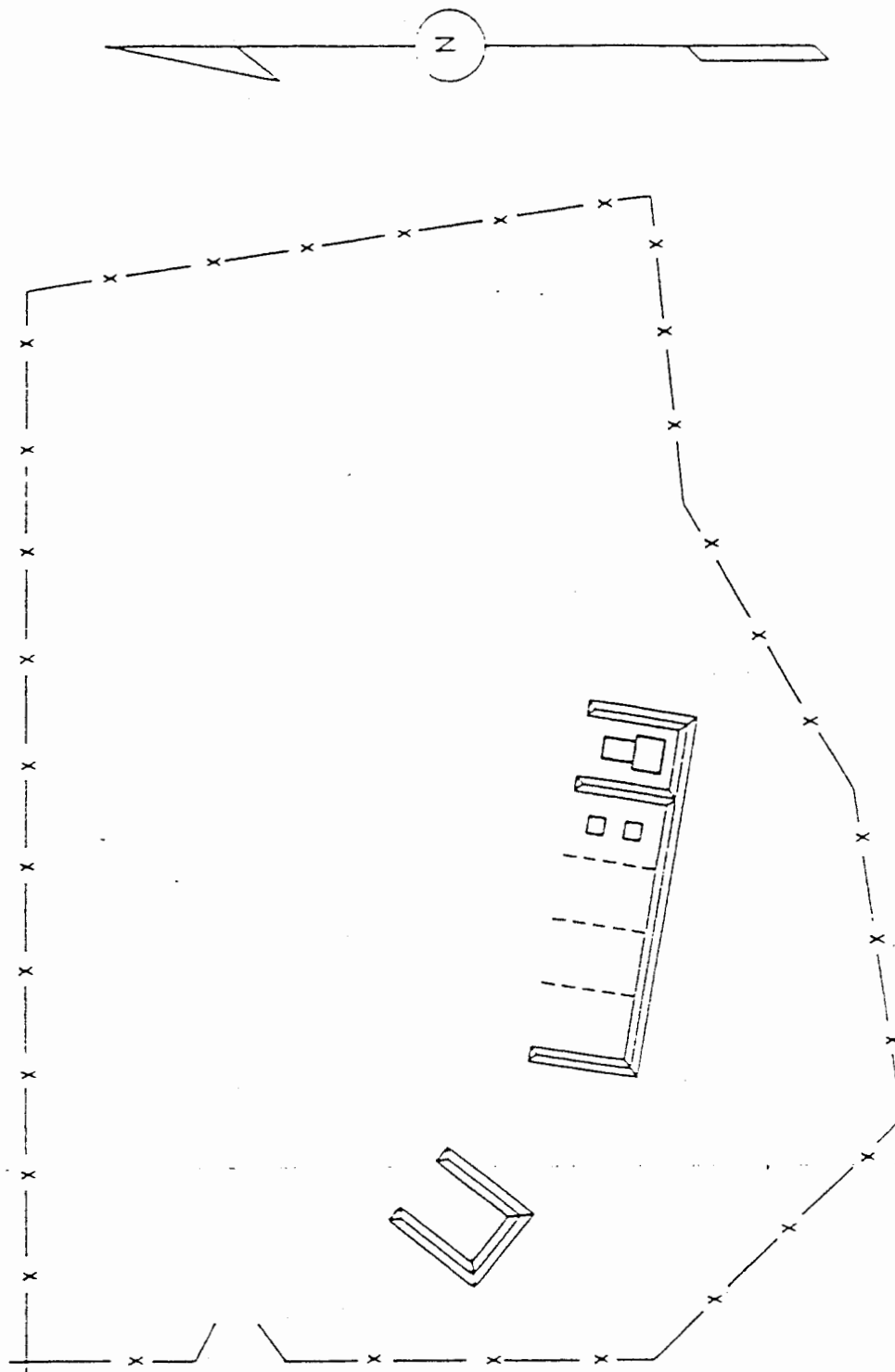
18 EDWARD Z. FOX  
19 Director  
20 Arizona Department of  
21 Environmental Quality

22 Grant Woods, on behalf of Plaintiff the State of Arizona  
23 and the Office of the Attorney General, hereby acknowledges that  
24 he has read the foregoing Consent Judgment in its entirety, agrees  
25 with the statements made therein, consents to its entry by the  
26 Court and agrees that the State and the Office of the Attorney  
General will abide by the same.

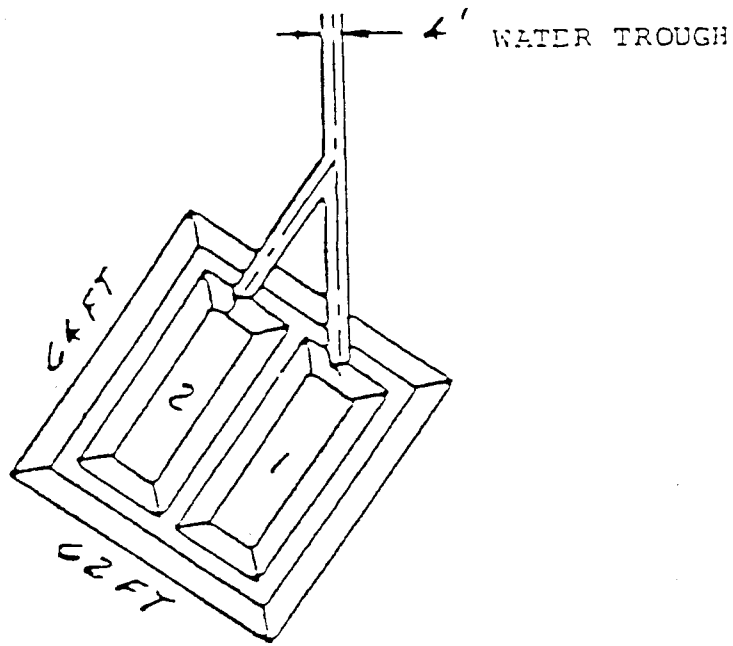
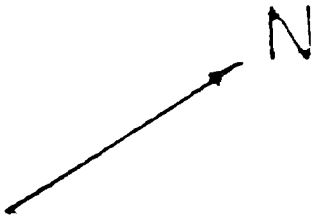
1 DATED this 3 day of September, 1991.  
2  
3

4  
5   
6 GRANT WOODS  
Attorney General

7 JTS/las/pcd  
8 0030A.[1-24]  
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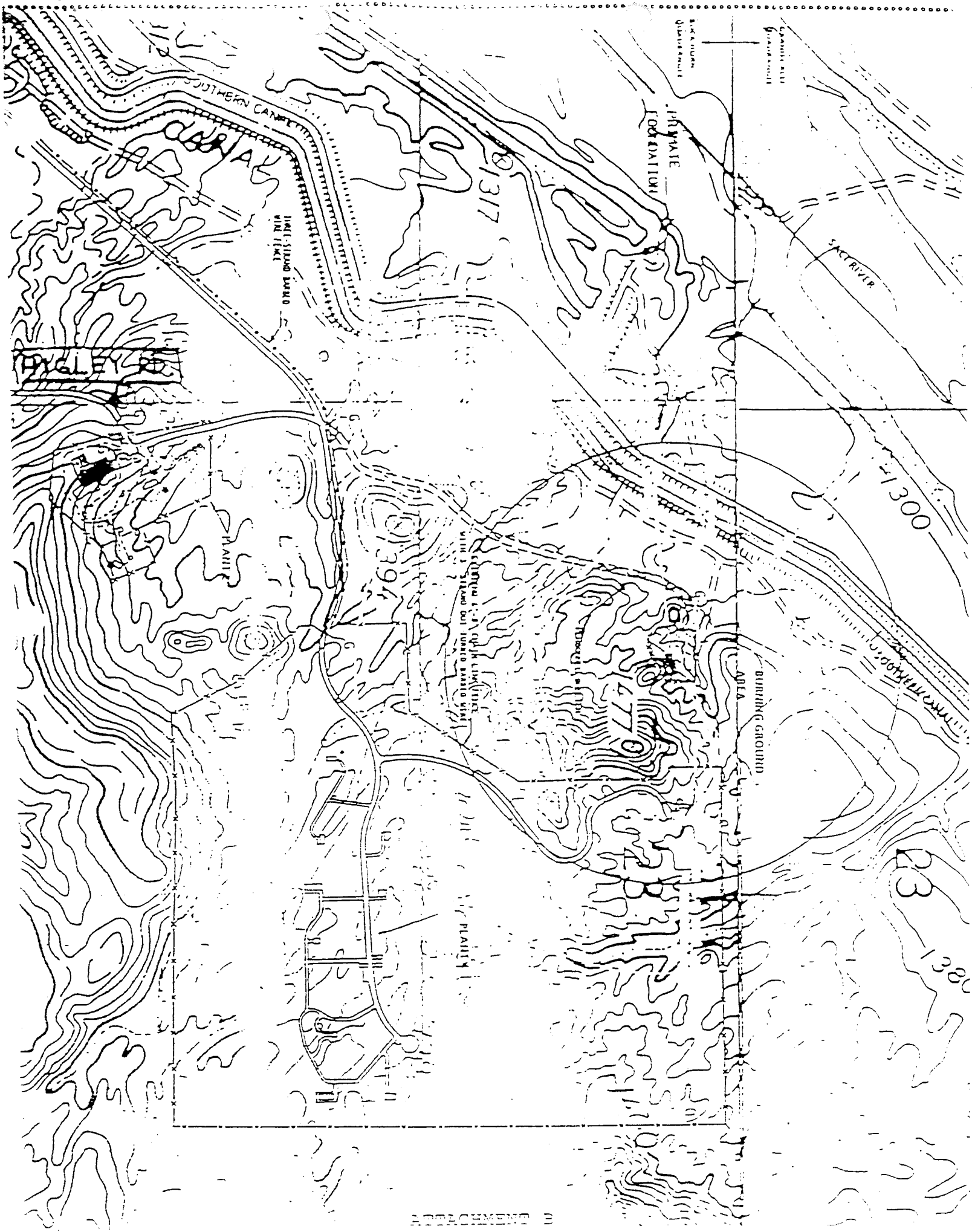
THERMAL TREATMENT UNIT  
LATITUDE 30° -29' -30"  
LONGITUDE 111° -42' -30"

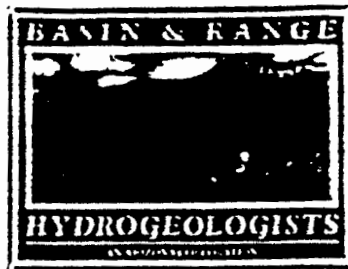


BORE-OUT PITS

LATITUDE  $33^{\circ} - 29' - 0''$

LONGITUDE  $111^{\circ} - 42' - 15''$





February 28, 1991

ATTACHMENT 1  
OUTLINE  
SITE ASSESSMENT PLAN  
FOR TALLEY DEFENSE SYSTEMS'  
BURNING GROUND AND BORE-OUT PIT

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1.0. INTRODUCTION

1.1 SITE CHARACTERIZATION

1.1.1 Site Description

- Site Security
- Detailed Site Plan

1.1.2 Environmental Setting

- Physiographic/Hydrogeologic Information

1.1.3 Adjacent Land Use

1.2 BACKGROUND

1.2.1 Chemical Usage, Handling, Storage, Treatment, and Disposal Practices

1.2.2 Waste Management Practices

1.2.3 Past Release/Spill History

- Burning Ground
- Bore-out Pit

1.2.4 Previous Sampling and Analysis

- Burning Ground
- Bore-out Pit

1.2.5 Northeast Mesa WQARF Investigation

2.0 SAMPLING INVESTIGATION

2.1 RATIONALE FOR SAMPLING

2.1.1 Burning Ground

2.1.1.1 Sample Locations and Depths (includes rationale)

2.1.1.2 Rationale for Number of Samples

2.1.2 Bore-out Pit

2.1.2.1 Sample Locations and Depths (includes rationale)

2.1.2.2 Rationale for Number of Samples

OUTLINE  
SITE ASSESSMENT PLAN  
FOR TALLEY DEFENSE SYSTEMS'  
BURNING GROUND AND BORE-OUT PIT  
(Continued)

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- 2.2 REQUEST FOR ANALYSIS or ANALYSIS OF SOIL SAMPLES (includes rationale)
    - 2.2.1 Burning Ground
    - 2.2.2 Bore-out Pit
  - 2.3 FIELD METHODS AND PROCEDURES
    - 2.3.1 Sample Collection
      - 2.3.1.1 Burning Ground
        - Surficial Soil Sampling Procedures
        - Drilling Soil Sampling Procedures
      - 2.3.1.2 Bore-out Pit
        - Surficial Soil Sampling Procedures
        - Drilling Soil Sampling Procedures
    - 2.3.2 Disposal of Contaminated Materials (includes drill cuttings)
      - On-site Accumulation of Wastes
      - Anticipated Disposal Method and Facility
    - 2.3.3 Sampling and Drilling Equipment Decontamination
      - Decontamination Procedures between Samples
    - 2.3.4 Sample Containers and Preservation
    - 2.3.5 Sample Packaging and Shipment
    - 2.3.6 Sample Documentation
    - 2.3.7 Quality Control Samples
      - Background Samples
      - Duplicate Samples
      - Travel and Equipment Blanks
      - Laboratory QA/QC Samples
    - 2.3.8 Backfilling of Boreholes
  - 2.4 QUALIFICATIONS OF SAMPLING AND ANALYTICAL PERSONNEL
    - Professional Qualifications
    - Hazardous Materials Training (29 CFR 1910.120)
  - 2.5 NOTIFICATION OF ADEQ
    - Two Working Days Notice
- 3.0 SITE SAFETY PLAN
- 3.1 PURPOSE
  - 3.2 HEALTH AND SAFETY RESPONSIBILITIES

**BASIN & RANGE**

OUTLINE  
SITE ASSESSMENT PLAN  
FOR TALLEY DEFENSE SYSTEMS'  
BURNING GROUND AND BORE-OUT PIT  
(Continued)

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3.3 HAZARD ASSESSMENT

- 3.3.1 Potential Chemical Exposure
- 3.3.2 Potential Physical Dangers
- 3.3.3 Heat Stress
- 3.3.4 "Blue Stake" Drilling Locations

3.4 SAFETY PROCEDURES

- 3.4.1 General Safety Practices
- 3.4.2 Personal Protection Equipment
- 3.4.3 Air Monitoring Guidelines
- 3.4.4 Recommended Drill Rig Safety Guidelines

3.5 DESIGNATION OF WORK AREAS AT THE SITE

- Exclusion Zone
- Decontamination Zone
- Procedures to Minimize Contaminant Dispersion

3.6 DECONTAMINATION PROCEDURES

3.7 EMERGENCY RESOURCES

- Police, Fire, and Hospital Assistance
- Location, Phone Numbers, and Routes from Site

4.0 SCHEDULE

5.0 PROVISIONS FOR AMENDMENT

6.0 REPORTING

- Schedule for Submission of Report
- Results of Sampling and Analysis
- Analytical Laboratory Report, Including Compounds Detected, Chain-of-Custody Documentation, and Laboratory QA/QC Results
- Recommendations including Provisions for Remediation/Closure

7.0 REFERENCES

APPENDICES

- A - LIST OF CHEMICALS USED ON SITE
- B - ANALYTICAL RESULTS FROM PREVIOUS SAMPLING CONDUCTED AT THE BURNING GROUND
- C - ANALYTICAL RESULTS FROM PREVIOUS SAMPLING CONDUCTED AT THE BORE-OUT PIT
- D - RESUMES OF SAMPLING AND ANALYTICAL PERSONNEL

**BASIN & RANGE**